

“Compensate the Losers?” Economic policy and partisan realignment in the US

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Motivation: Why have less-educated voters left the Democratic Party?

- As Kitschelt and Rehm (2019), Piketty et al. (2019) and others have shown, center-left parties in rich democracies have lost their traditional base of working-class, less-educated voters.
- The Democrats in the US are certainly no exception.
- Many academics and pundits suggest that *social issues* help explain why less-educated “vote against their economic interests” (as the Democrats are the pro-redistribution party). Perhaps economic issues have lost their salience for many voters given higher incomes than in, say, 1950s (Enke 2021).

NYT, *Upshot*, 2017

Working-class Americans who voted for Donald J. Trump continue to approve of him as president, even though he supported a health care bill that would disproportionately hurt them.

Highly educated professionals tend to lean Democratic, even though Republican tax policies would probably leave more money in their pockets.

Is America Too Rich for Class Politics?

By Eric Levitz [@EricLevitz](#)

In recent years, as red America grew more working class — and blue America more bourgeois — many pundits predicted that the major parties' economic platforms would become less distinct. Increasingly reliant on affluent voters, the Democrats would lose enthusiasm for progressive redistribution, while the GOP's deepening dependence on working-class voters would force it to adopt less-plutocratic priorities.

That prophecy has yet to be fulfilled.

Our claim: Reports of the death of class politics have been exaggerated

- We argue that Dem party's changing position on *economic policy* plays a key role in educational realignment.
- There was a well-documented (but little studied in economics) turn in Democratic party toward more "market-based" economic policies, led by *Democratic Leadership Coalition* (DLC).
 - ▶ Movement variously called New Democrats, Third Way, neoliberalism, etc.
- My talk today will mostly focus mostly on:
 - ▶ Our "positive case" for economic issues as key to realignment (we relegate alternative "social-issue-driven realignment" and other hypotheses until Q&A).
 - ▶ The Democrats (though we examine Republicans when possible).

Three main parts of our argument

- *Stable demand*: Since 1940s, less-educated Americans differentially support *predistribution* (min. wage, protectionism, job guarantees, unions, etc.) over *redistribution* (taxes & transfers).
- *Changing Supply*: Since 1980s, Democratic politicians have de-emphasized these pre-distribution policies.
 - ▶ We show that DLC Democrats lead this shift in priorities.
- *Reaction* among less-educated voters: They begin to leave the party just as Dems turn away from predistribution.
 - ▶ Moreover, at the same time, they stop saying Democrats are the best party *for the economy* (reverse pattern historically).
 - ▶ DLC Democrats draw support from *educated* voters.

What are “economic interests”?

- Scholars often bundle all economic policies in a *single* index (Gilens 2012).
- We separate economic-policy preferences into *predistribution* (e.g. labor market interventions) and *redistribution* (taxes and transfers).
 - ▶ “Predistribution” policies would include:
 - Minimum wage; jobs guarantee; union-organizing rules.
 - Trade agreements and regulations regarding off-shoring; immigration.
 - ▶ Role of “predistribution” more generally in shaping inequality already highlighted by Hacker and Pierson (2010), Rodrik and Stantcheva (2021) and Bozio et al. (2020).

Why might voters distinguish pre- vs. re-distribution?

- Standard models (e.g. Melzer Richards, 1986) assumes only consumption (i.e., *post-tax-and-transfer*) enters utility function.
- But these models have poor predictive power (Gelman, 2009).
 - ▶ Voters might equate pre-fiscal income with status, e.g. “**dignity of work**” versus being a “loser” (Anderson 1999, Benabou and Tirole 2009).
 - ▶ Voters might **not trust government** to redistribute income ex-post (Kuziemko et al., 2015), whereas jobs/wages easier to observe.
 - ▶ Voters with *social* preferences might care about **moral standing of beneficiaries** from economic policies independent of effects on own income (Saez & Stantcheva, 2016; Enke 2021).

Outline

- 1 Data and methodology
- 2 Party identification and education, 1940-today
- 3 *Demand* for economic policies, by education
- 4 Democratic politicians' *supply* of economy policy
 - Legislation-based measures of supply
 - Candidate-selection-based supply measures
- 5 Voters' reaction to changes in Democratic economic policies
 - Survey data on parties' economic policies
 - Support for DLC candidates
- 6 Next steps and concluding thoughts

Data used in this project

- We make heavy use of Gallup and other historical surveys on iPoll, many of which we had to harmonize by hand.
 - ▶ Still adding surveys, so future versions will have slightly more data.
- Also add GSS, ANES, CCES.

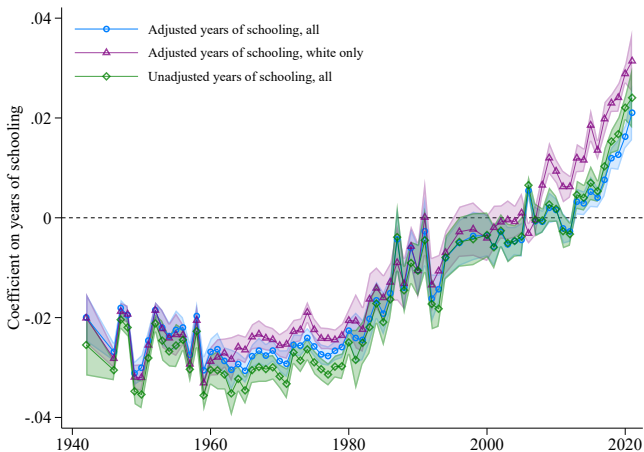
Estimating education effects over long periods

- Going back to 1940s, we code every respondent in the most detailed manner possible (usually 5-7 education categories, varying across time).
- We use the Census to create a years-of-education estimate for each *Edu category* \times *Census year* \times *Birth year* \times *Race* cell.
- We also estimate results separately by time period (typically one or five-year age bins) and include flexible controls for age (typically five-year-age bins).
- So a coefficient on “years of education” should be thought of as your relative standing within your cohort (it is thus not simply picking up age effects).

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Educated Americans turn toward the Dems after 1970s



Notes: Each plotted point comes from a separate regression for each year t of data, $Dem_i = \beta^t Yrs\ school_i + \eta_i + \mu_i + e_i$, where η_i are age-in-five-years FE, μ_i are survey FE. Outcome is 1 if identify as a Dem, zero for all others (Republican, independent, other party, refused, etc.). Mean of outcome is 0.42 over full sample period.

With education rank

With presidential vote

By region

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Selecting survey questions

- We have selected all policy questions that are asked in our surveys frequently over time. In most cases, we combine survey sources (GSS, ANES, Gallup, etc) *so long as the question wording is similar*.
 - ▶ E.g., we would not include a question about Trump's specific corporate tax cuts (asked only over a short period) but about tax cuts in general.
- Respondents can answer generic questions even if they may have heard of a specific proposal.

Redistribution questions

- *Views toward taxes generally.* How much should government prioritize tax cuts over, e.g., deficit reduction or other goals.
- *Taxing the rich.* Questions specifically asking if the rich should pay more in taxes.
- *Own-tax positivity.* “Do you consider the amount of federal income tax which you have to pay as too high, about right, or too low?”

Pre-distribution questions

- *Minimum wage*. Surveys ask if minimum wage should be increased, typically specifying a new level (e.g., \$12 or \$15 in recent surveys).
- *Job guarantee*. Typical wording: “Federal government has obligation to guarantee a job to anyone who wants to work.”
- *Unions*. Asks whether respondents want unions to have more, the same, or less influence.
- *Trade*. Example from ANES: “Some people have suggested placing new limits on foreign imports to protect American jobs. Others say that such limits would raise consumers prices and hurt American exports. Do you favor or oppose placing new limits on imports?”

Showing evolution of education gradient over time

- For each question, we estimate the following regression *separately by periods p* (where p is either a year or five-year bins to reduce clutter in some graphs):

$$Y_i = \beta_p \text{Years Education}_i + \mu_i + \eta_i + e_i,$$

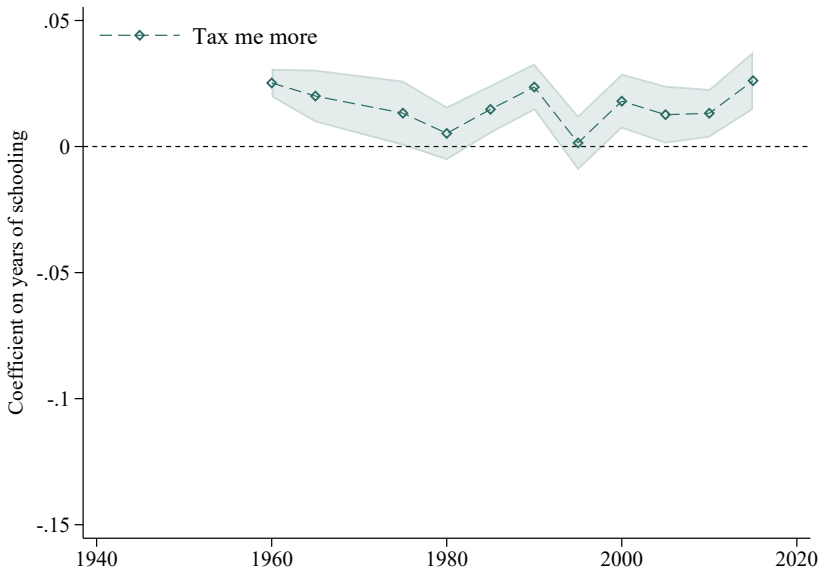
where Y_i is the response to a survey question, Years Education_i is the estimated years of education described earlier, μ_i are age-in-five-year-bins fixed effects, η_i are survey FE, and e_i is the error term.

- To facilitate comparison across all policies questions, we:
 - ▶ Orient so that left-wing position coded as one, right-wing as zero.
 - ▶ Standardize (mean zero, SD one).

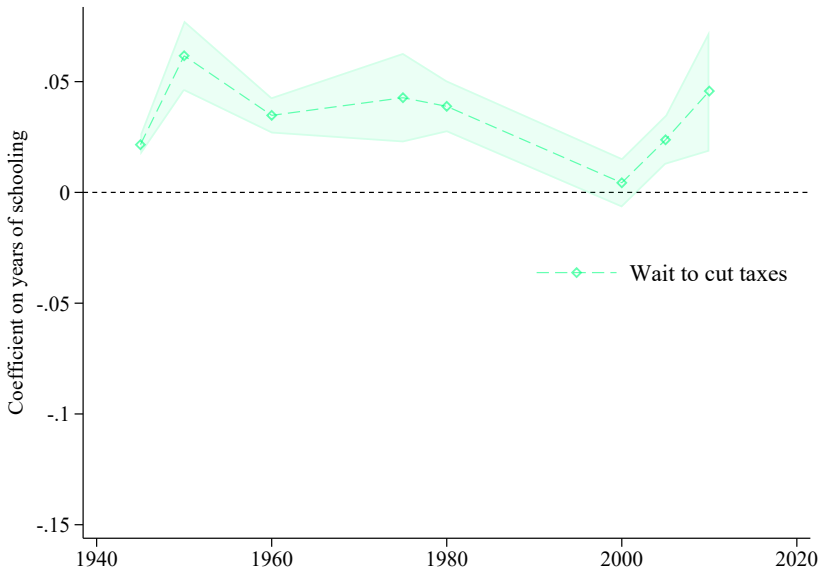
Views toward taxing the rich



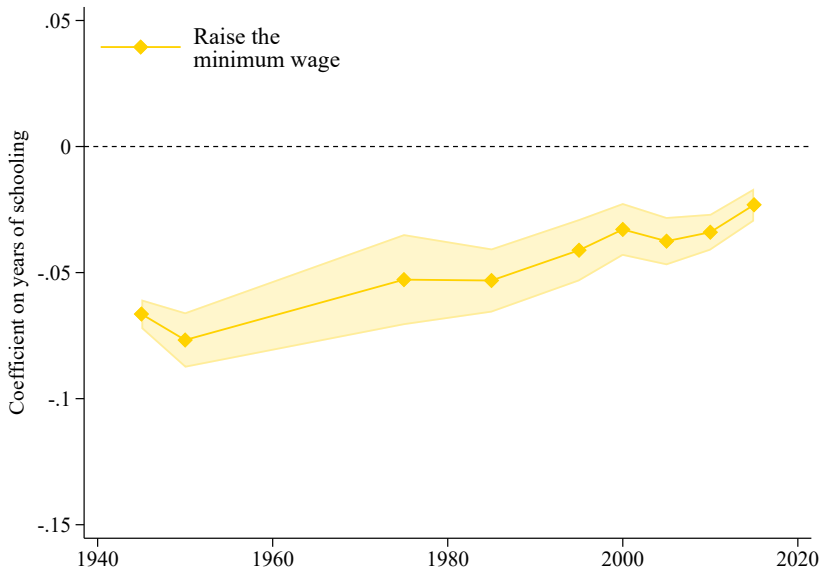
Views toward own level of taxes



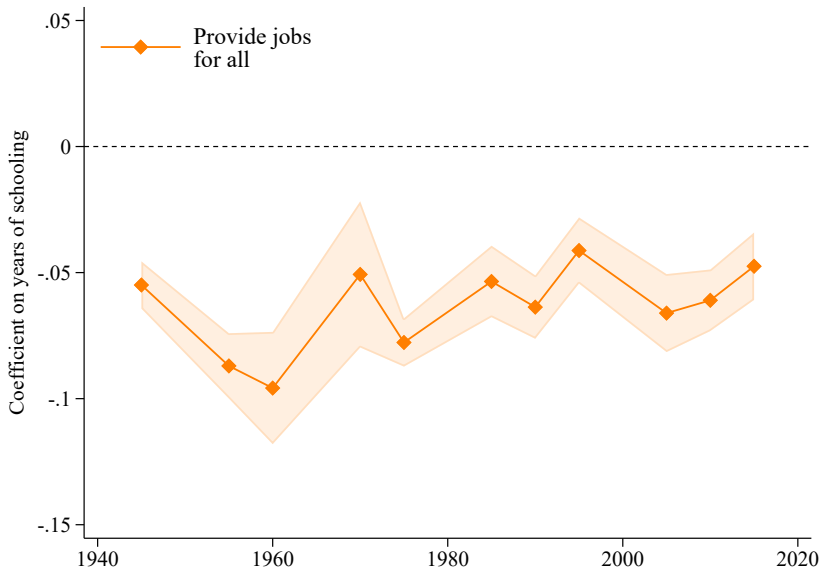
Views toward prioritizing tax cuts



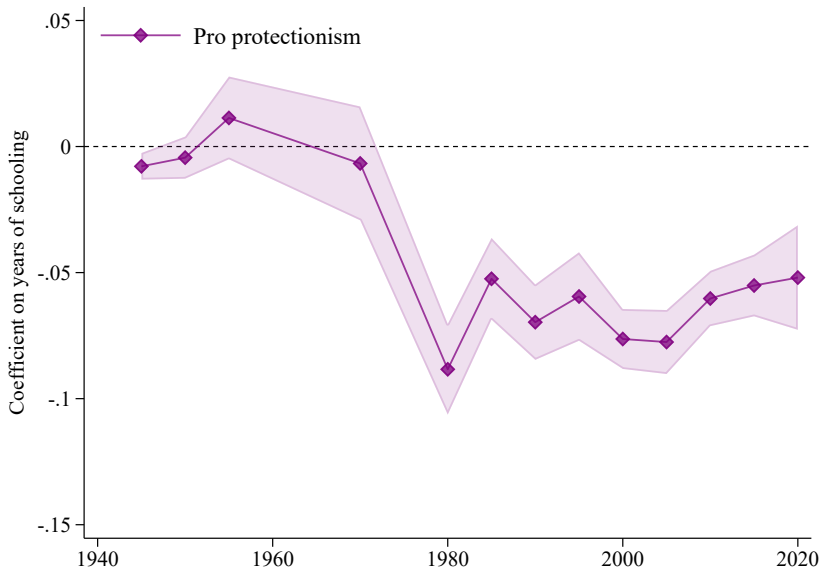
Views toward minimum wage



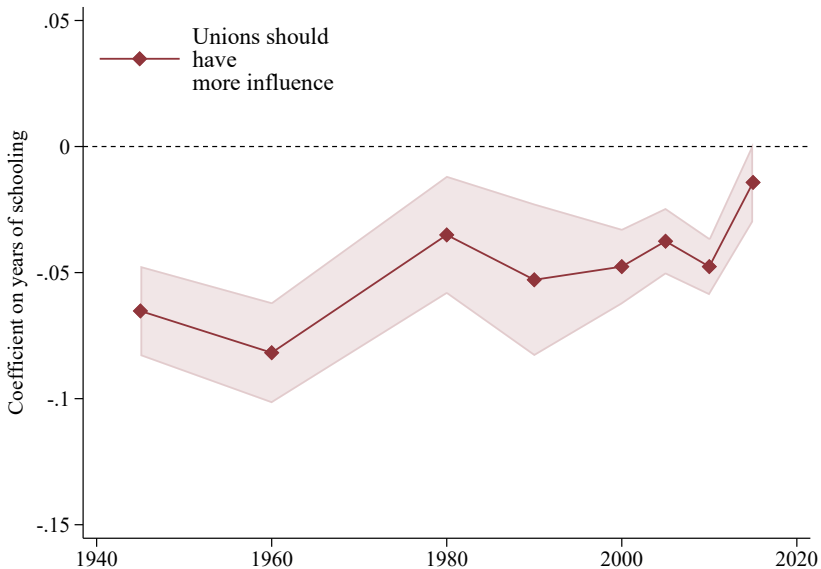
Views toward jobs guarantee



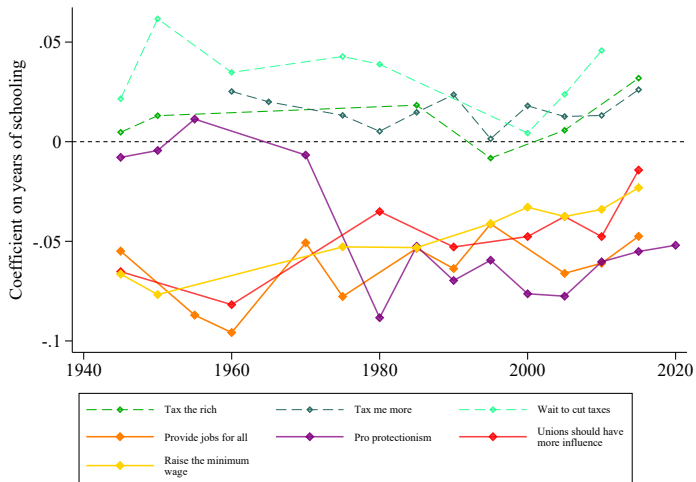
Views toward protectionism



Unions should have more influence



All respondents, by education



With education rank

Summary so far

- For most survey questions, less-educated voters significantly more likely to favor pro-worker labor-market institutions over our 80-year period.
- By contrast, more educated people support tax-based redistribution, though gradient not as large.

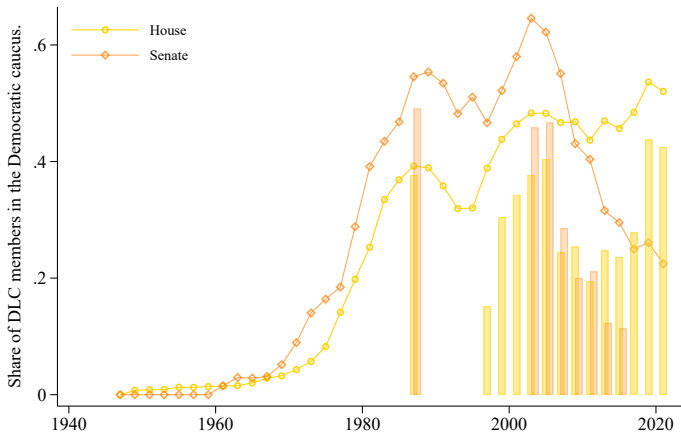
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The “neoliberal turn” of the Democratic Party

- The Democratic Leadership Council forms in 1985. Gov. Bill Clinton an early president. Quotes from its founder:
 - ▶ “Because of the labor movement’s power in the Democratic Party, we seldom did anything in the Carter administration without running it by them. But we needed to change...and **I wasn’t about to give the unions....a sign-off...**”
 - ▶ “**Our pro-trade stance** clearly reinforced our message that we were different from the old Democrats.”
 - ▶ “The bottom line was that the country and economy had changed, and the **minimum wage, so important in the New Deal, had ceased to be an effective way** to help the working poor.”
 - ▶ “But as New Democrats, the centerpiece of our message was...expanding opportunity by fostering broad-based economic growth led by a robust **private sector generating high-skill, high-wage jobs....**The **private sector, not government, is the primary engine** for economic growth.”

Evolution of the DLC share in Congress



A politician is defined as DLC if they are ever listed as a member or are in the New Dem Caucus.
Given data collection, DLC is likely underestimated from 1987-1996.
Histogram shows the actual recordings.

How we measure “supply”

- Legislation-based measures (supply of economic policy)
 - ▶ The issue categories of votes brought to the floor while the Democrats control Congress.
 - ▶ Roll-call votes and issue-specific “ideal points” of DLC versus others.
- Candidate-selection-based measures (supply of politicians)
 - ▶ Donation patterns in *primary* races, by party
 - ▶ Educational backgrounds of members of Congress, by party

Identifying content of roll-call votes

- To quantify and categorize proposed policies while in power, we make use of data from Bateman, Katznelson, and Lapinski (2018).
 - ▶ Bateman et al. (2018) classify every House and Senate roll-call vote since 1877 into categories, which we then group ourselves into pre- versus redistribution.
 - ▶ We then assume that the party that controls the chamber controls the supply of roll-call votes (e.g., “Hastert Rule”).
 - ▶ *Dems control House almost all years from 1945-1994*, so we can estimate their economic-policy priorities most years of interest.
- We replicate with an alternative bill-classification dataset (Comparative Agenda Project).

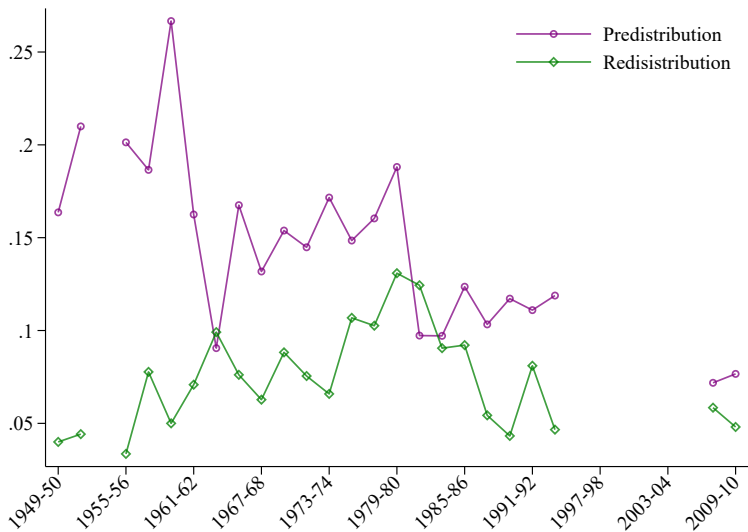
Predistribution topics

- Domestic Affairs subcategories:
 - ▶ All labor-market policies (e.g., wage and price controls, unions, corporatism), Examples: amendments to NLRA and FSLA.
 - ▶ Most infrastructure and industrial policies (e.g., public works, transportation, etc.)
- Trade policies (e.g., “To amend the trade agreements extension act of 1951 to provide adequate protection for American workers miners, farmers, and producers.”).

Redistribution topics

- Fiscal and taxation policies (e.g., budget, debt-ceilings)
- Transfers and Poverty (e.g., cash assistance, food stamps, etc.)
- Social Insurance (e.g., Unemployment Insurance, Medicare, etc.).

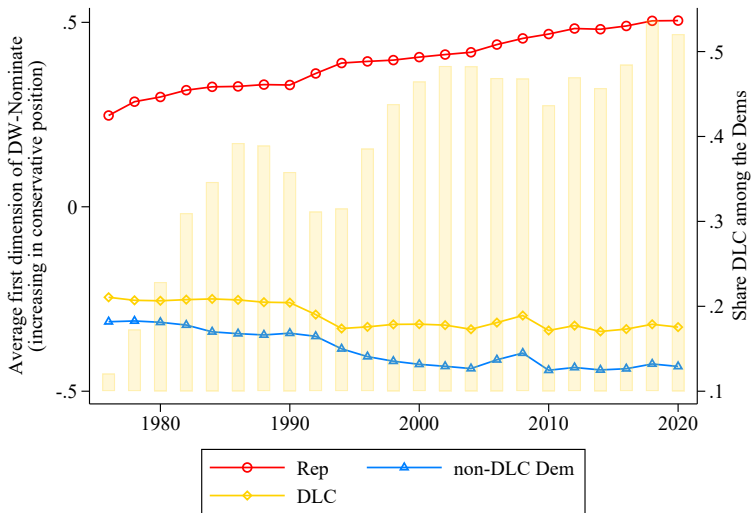
House roll-call issues, Bateman et al. (2018)



Notes: Data come from Bateman et al. (2018). Missing years are during periods of Republican control of the House. Similar but noisier results for Senate (more Republican control over the years).

Evolution with CAP

DLC more conservative than other Dems



Overall difference between DLC and other Dems is .069 (p=0)

A politician is defined as DLC if they are ever listed as a member or are in the New Dem Caucus. Given data collection, DLC is likely underestimated from 1987 – 1996.

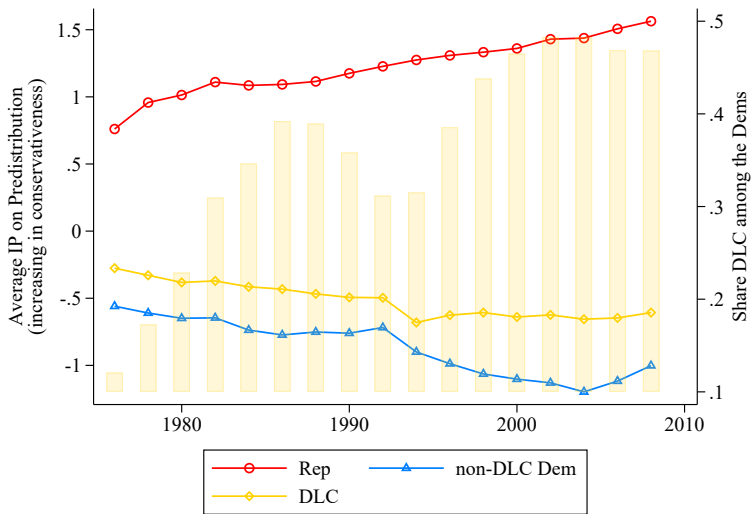
Issue-specific ideal points

- Very roughly speaking, past authors (e.g., Bateman and Lipinksi 2016) have performed DW-nominate-type exercises on specific issue areas to generate legislators ideal points in specific areas.
- Bateman and Lipinksi were kind enough to do this for our pre- and re-distribution roll-call votes.
- We also replicate this analysis with alternative model of issue-specific ideal-points (McCarty, XX), again using the same pre- and re-distribution roll-call votes.

Issue-specific ideal points

- Ideal points estimate latent variables explaining individual roll-call voting behavior (Poole and Rosenthal 1997).
- Model probability of politician i voting yes on bill b as $Pr(\text{Vote}_{ib} = Y) = \Phi(\beta (\exp(-(y_i - Y_b)^2) - \exp(-(y_i - N_b))^2))$, ideal points $y_i \in [-1, 1]$.
- We use Bateman and Lapinski (2016) issue-specific ideal points, estimated separately for pre- and re-distribution (and other) categories.
- Estimated separately for each congress using W-NOMINATE, then rescaled to make comparable over time using Groseclose, Levitt and Snyder (2001) method.
- We also show the same patterns using original DW-NOMINATE ideal points re-weighted to separate behavior on the *predist* and *redist* roll calls

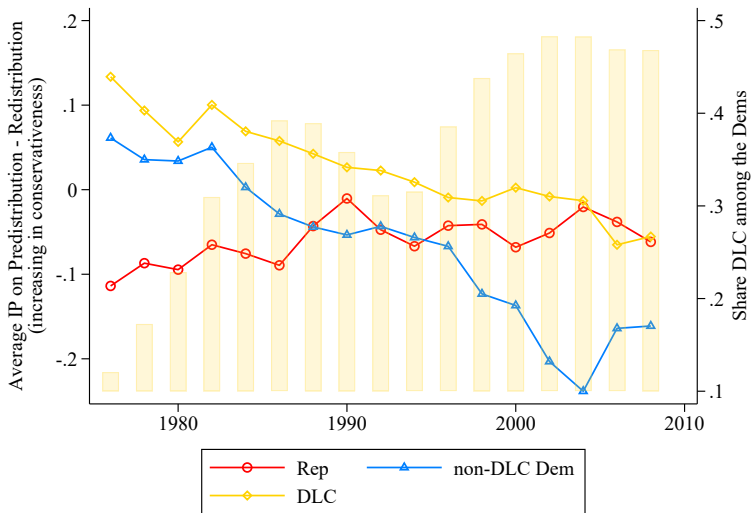
Predistribution ideal points, DLC, non-DLC, GOP



Overall difference between DLC and other Dems is .286 (p=0)

A politician is defined as DLC if they are ever listed as a member or are in the New Dem Caucus. Given data collection, DLC is likely underestimated from 1987 – 1996.

DLC more conservative on pre- than redistribution



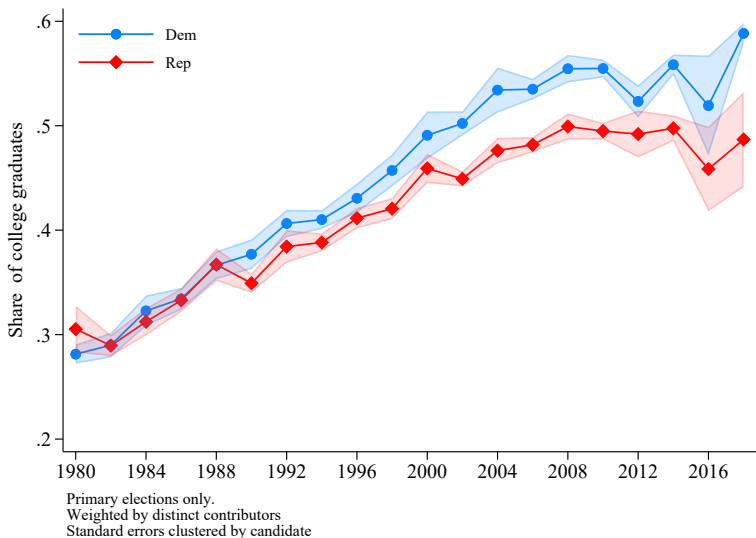
Overall difference between DLC and other Dems is .0764 (p=0)

A politician is defined as DLC if they are ever listed as a member or are in the New Dem Caucus. Given data collection, DLC is likely underestimated from 1987 – 1996.

Primary donations data as a supply measure

- Using Adam Bonica's donations data, we examine *where primary candidates raise money* as an *additional measure of supply*.
 - ▶ Assumption: If more educated zip codes increasingly supply money for Democrats *in primaries*, the candidate supplied by Dems in the *general election* will increasingly reflect preferences of educated areas.

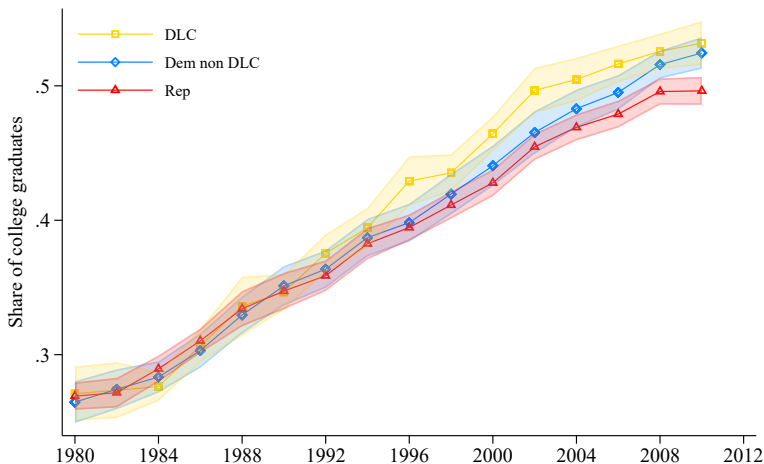
Primary contributions, by party



Average zipcode-level share of college graduates of a political contributor.

Weighted by amount

Primary contributions, DLC, non-DLC, GOP



Average difference between DLC and other Dems is .023 ($p=0$)
Average difference between other Dems and Rep is .0088 ($p=.0157$)
Primary House elections only. DLC membership predicted by groundtruth, keeping only election winners
Controlling for state-Year FE. Standard errors clustered by candidate

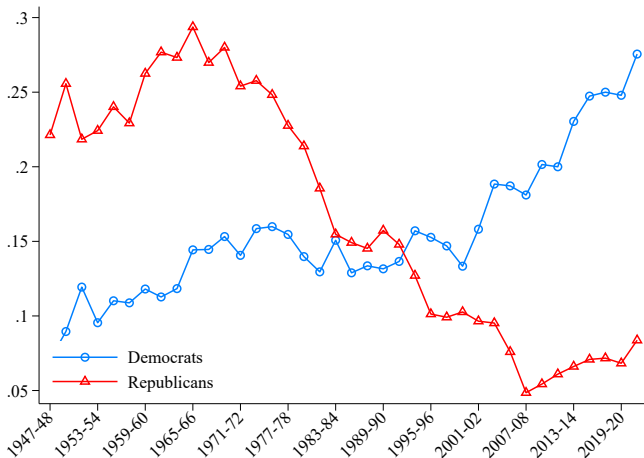
With Lasso

With NDN

Another measure of supply: Politicians' biographies

- We next examine the educational biographies of House and Senate members, by party.
 - ▶ While not directly related to supply of *policies*, if Democratic politicians no longer resemble less-educated voters, it is a potential, independent supply-side reason for their exiting the party.
- We use biographies compiled by Congressional Quarterly. We search for the Ivy League schools in their biographies (so would include BA, law school, MBA).

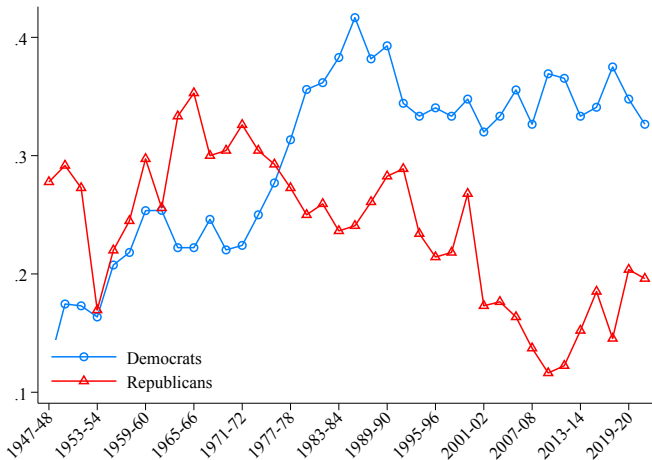
Ivy League share of House



Notes: Data are from the Congressional Quarterly member biographies. The outcome is coded as one if the name of an Ivy institution appears anywhere in the biography.

With State FE

Ivy League share of Senate



Notes: Data are from the Congressional Quarterly member biographies. The outcome is coded as one if the name of an Ivy institution appears anywhere in the biography.

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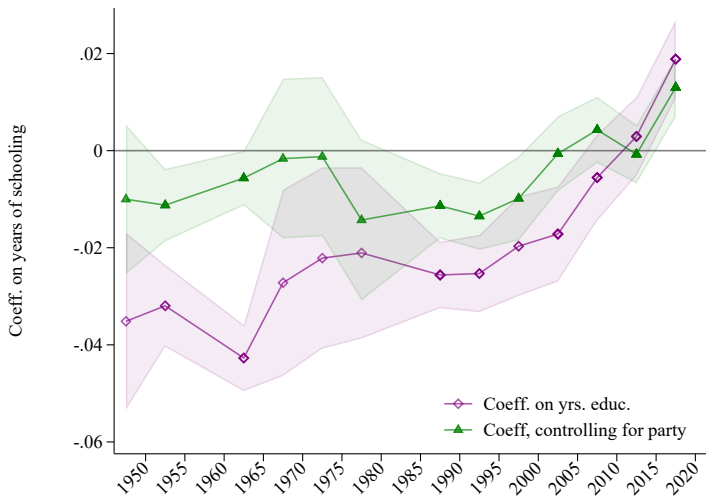
- We have showed the differential support of pro-labor policies by less-educated voters.
- Democratic politicians, led by the DLC, have moved away from these policies.
- In this section, we show voters' reaction:
 - ▶ How respondents' education predicts their views on the *economic policies* of the parties, 1940s-today.
 - ▶ In House races, do DLC candidates win the more educated neighborhoods?

Survey question

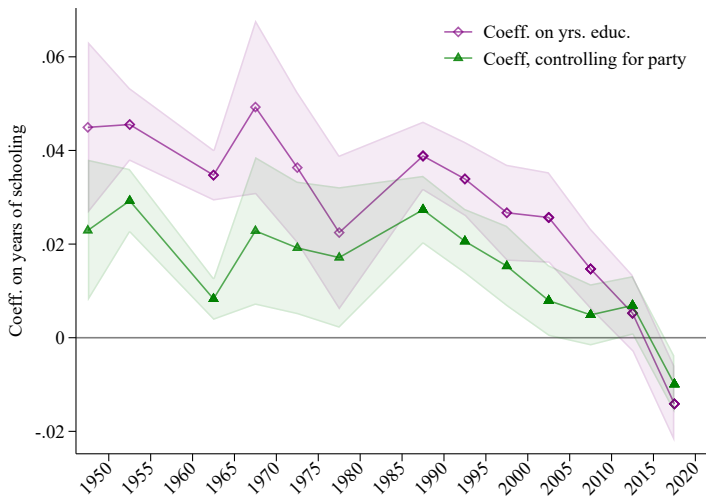
- Since the 1940s, Gallup has frequently asked respondents:
“Looking ahead for the next few years, which political party—the Republicans or the Democrats—do you think will do the better job of keeping the country prosperous.”
- We regress a dummy for the respondent saying Democrats on years of education and our usual controls (survey fixed effects and age-in-five-year-bin dummies).

Time series of the outcome variable

Democrats better to keep country prosperous, by education



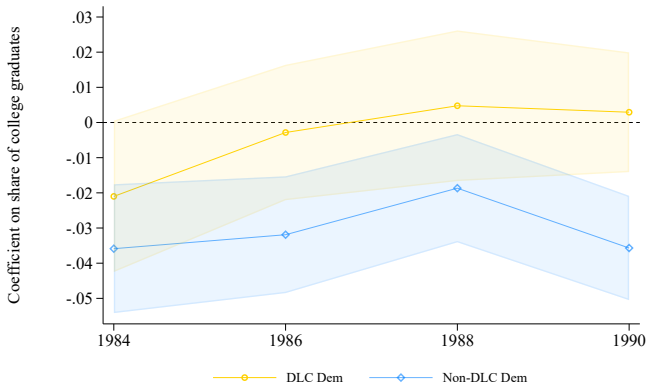
Republicans better to keep country prosperous, by education



MCD-level election data

- As our final exhibit, ecological regression: share of votes for the Democrat House candidate and share of college graduates
- Data from the Record Of American Democracy (ROAD), King et al. (1997)
- MCD-group level data for 1984 to 1990
 - ▶ Roughly there are 65 MCD groups per CD.

MCD vote shares, DLC v other Dem House members



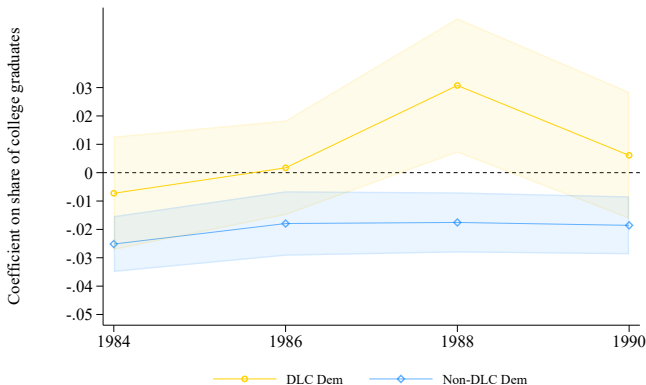
Overall difference between the DLC and Non-DLC Dems is .0282 (.0107)
State-congressional district FE. Clustered at the county level.
Regression at the MCD-group level (25,000 MCD groups)
Sample restricted to elections where the Democrat won.

Coefficients from: $Dem_{mt} = \beta_1^t Educ_{mt} + \beta_2^t DLC_{dt} + \beta_3^t Educ_{mt} \times DLC_{dt} + \epsilon_{mt}$,
clustered by county [sample: All races a Dem wins]

With Lasso

With education rank

MCD vote shares, DLC v other Dem House candidates



Overall difference between the DLC and Non-DLC Dems is .0161 (.0093)
State-congressional district FE. Clustered at the county level.
Regression at the MCD-group level (25,000 MCD groups)
Sample restricted to elections where Lasso probability is more than 75% or less than 25%.

Coefficients from: $Dem_{mt} = \beta_1^t Educ_{mt} + \beta_2^t DLC_{dt} + \beta_3^t Educ_{mt} \times DLC_{dt} + \epsilon_{mt}$,
clustered by county [sample: All races, DLC losers predicted by LASSO]

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Our current to-do list!

- We focus on the Democrats so far, with the idea that their moving right on economics more salient because it goes against their base, but we would like to **add more on the evolution of the GOP**.
- Congressional Record Text: e.g. **text-based ideal points** (Vafa et al. 2020) as alternate measure of both legislative agenda and legislator ideology (uncontaminated by party whipping).
- We will surely be adding important items based on our discussant and your questions today!

Why did Dem politicians make the neoliberal shift?

- Did **stagflation crises of the 1970s** discredit Keynesian, New-Deal-style economic agenda?
- Did rise in **skill-biased-technological change** increase bargaining power of educated voters in the Democratic coalition?
- Did **liberalization of campaign contributions** increase bargaining power of educated voters in the Democratic coalition?
- Did **post-1968 reform of party primary process** increase bargaining power of educated voters in the Democratic coalition?
 - ▶ NB: Same shift observed in other center-left parties in rich democracies.
- Dems' move toward more market-based policy may have been politically optimal! Or a between-faction equilibrium.

(Preliminary) conclusion: It's (still?) the economy, stupid?

- Recent realignment of political parties driven by less-educated voters switching from Democrat to Republican.
- Our results suggest that differential preferences by education over specific economic policies have largely remained stable.
- Center-left party in the United States instead *altered supply of policies away from pre-distribution*.
- While remaining the more pro-redistribution party, redistribution alone not enough to retain less-educated voters.
 - ▶ Not surprising given their historically lukewarm view of these policies.
- And as a result lost support of less-educated voters.

- **Brahmification**

- Education rank on party identification

- Education and Dem ID by region, white only

- Education and presidential voting

- Education and general election contributions

- Contribution weighted by amount

- **Political demand**

- Social issues argument

- Demand over social issues

- Are Americans too rich for class politics?

- Graph - Most important issue

- **Ideal points**

- DLC positions on social issues

- McCarthy redistribution ideal points

- McCarthy pre vs. re ideal points

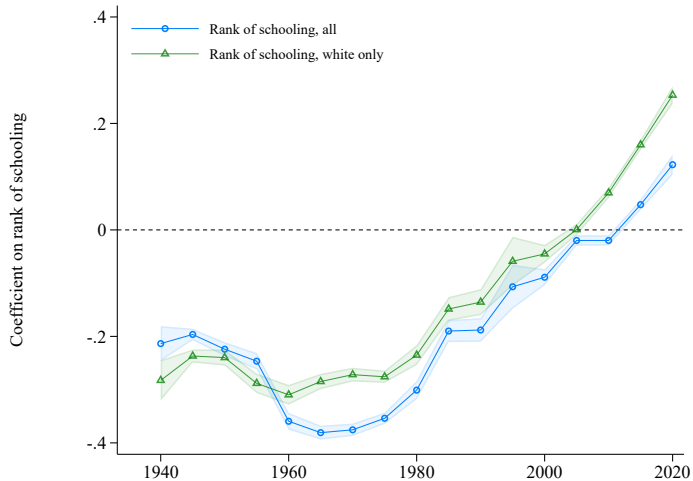
- **Politicians' type**

- Robustness to Ivy results

- Speech complexity in Congress

Supplementary Materials

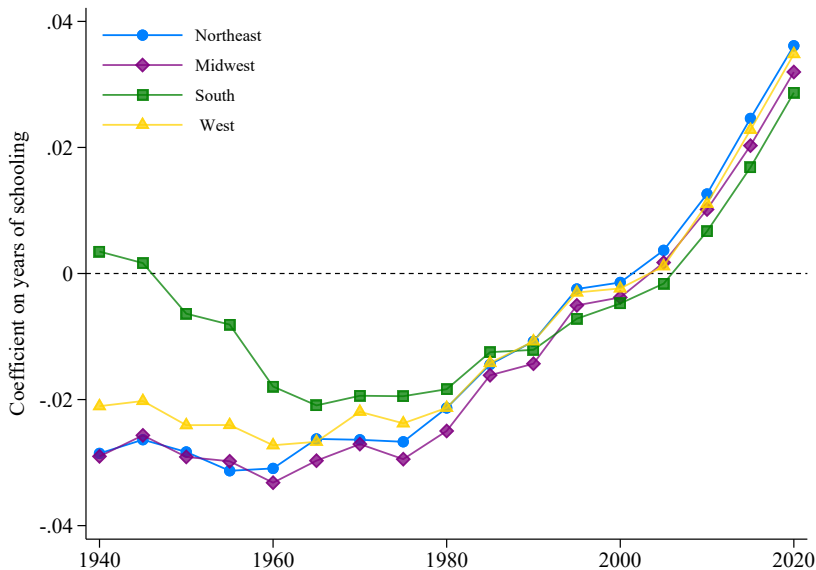
Education rank on party identification:



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Q&A Slide

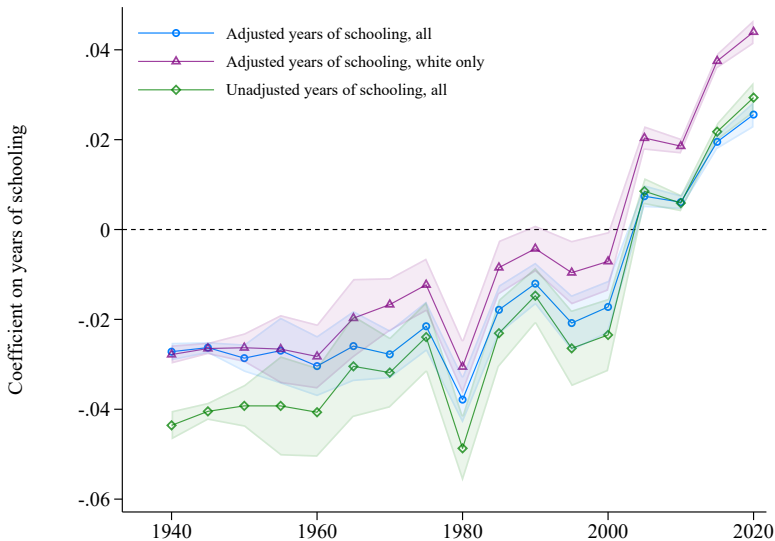
Education and Democratic ID by region (whites only)



Relationship between Dem Pres. vote and education

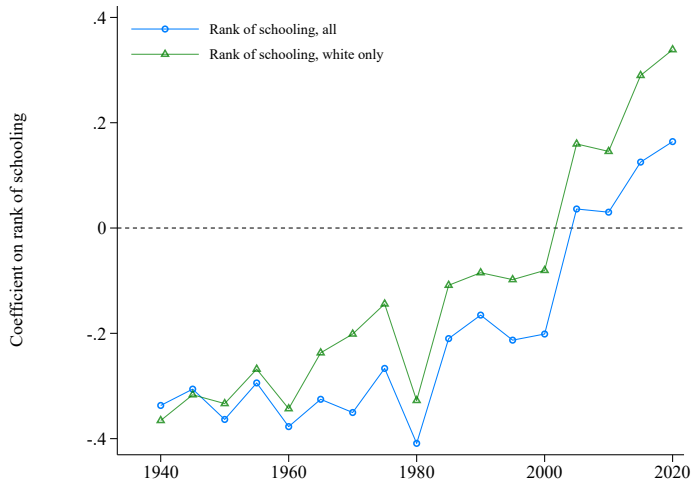
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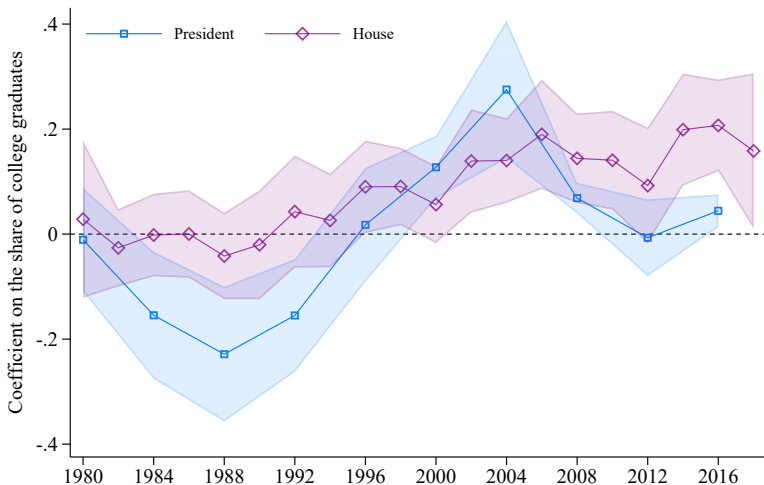


Supplementary Materials (2)

Education rank on presidential vote:



General election contributions



General elections only.

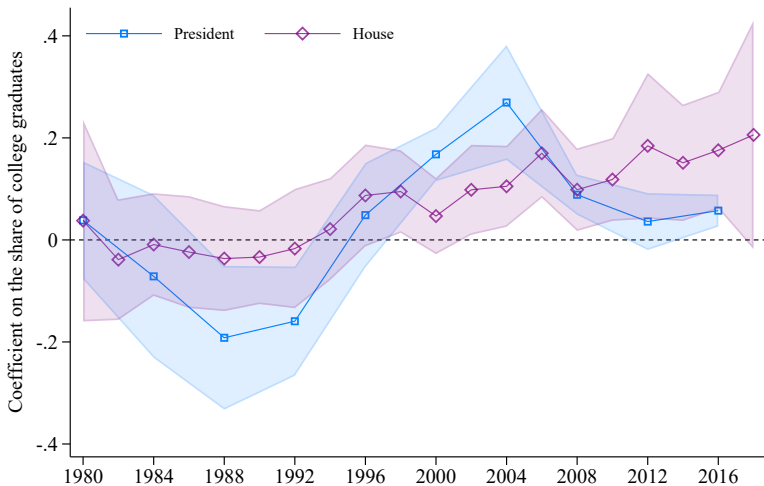
Weighted by distinct contributors

Controlling for State FE. Standard errors clustered by election by year by state.

Weighted by amount

Q&A Slide

General election contributions, weighted by amount



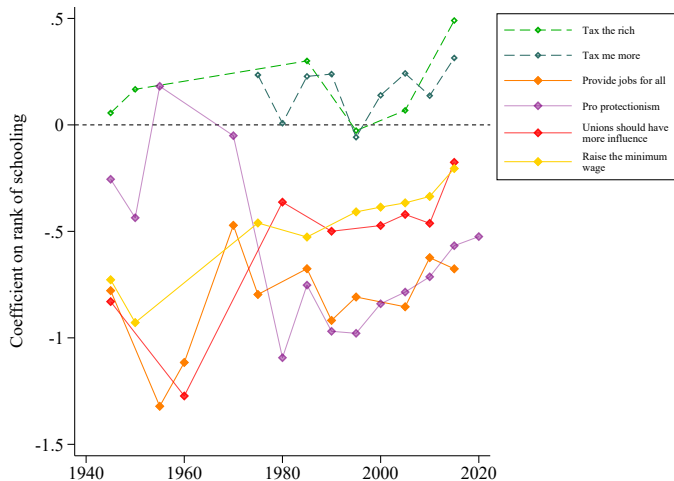
General elections only.

Weighted by amount

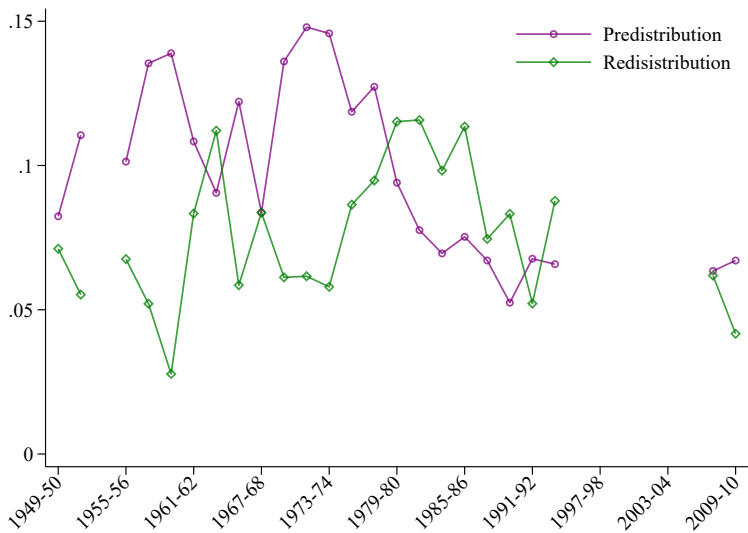
Controlling for State FE. Standard errors clustered by election by year by state.

Supplementary Materials (3)

Education rank on policy preferences:



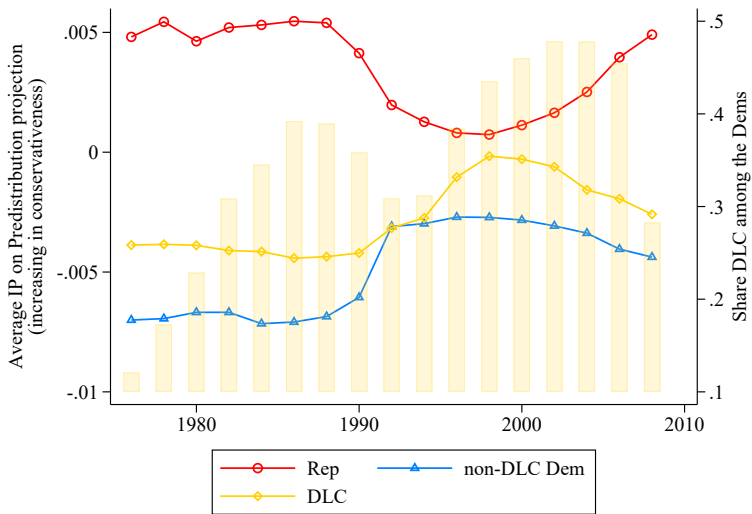
House roll-call votes, years under Dem control



Notes: Data come from Comparative Agendas Project. Missing years are during periods of Republican control of the House. Similar but noisier results for Senate (more Republican control over the years).

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Predistribution ideal points, McCarthy

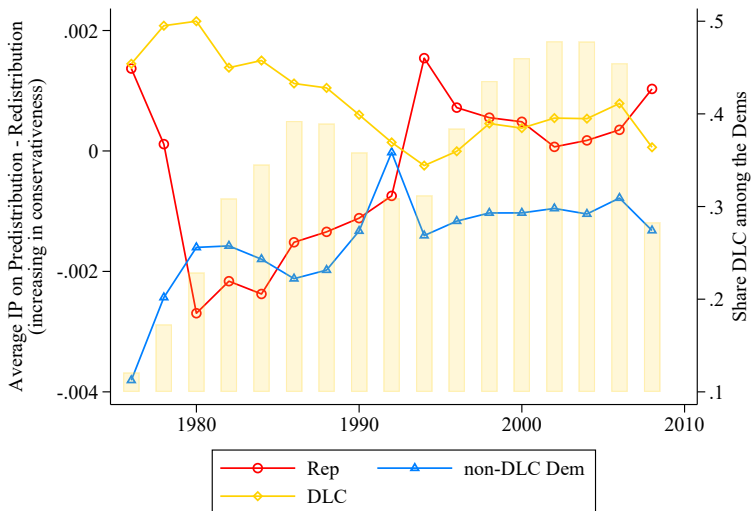


Overall difference between DLC and other Dems is .00238 (p=0)

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Predistribution ideal points, McCarthy

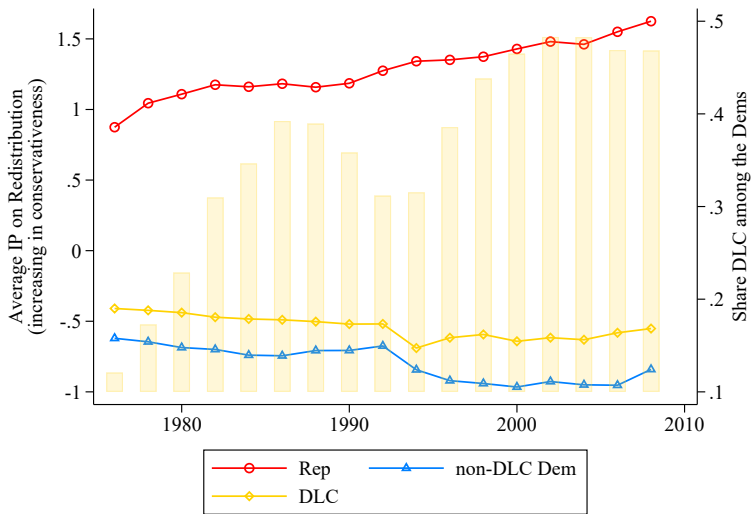


Overall difference between DLC and other Dems is .00195 (p=0)

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Redistribution ideal points

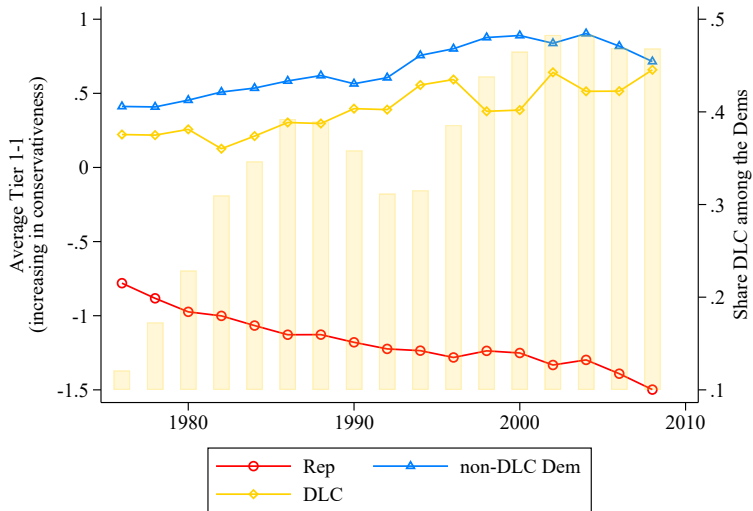


Overall difference between DLC and other Dems is .2091 ($p=0$)

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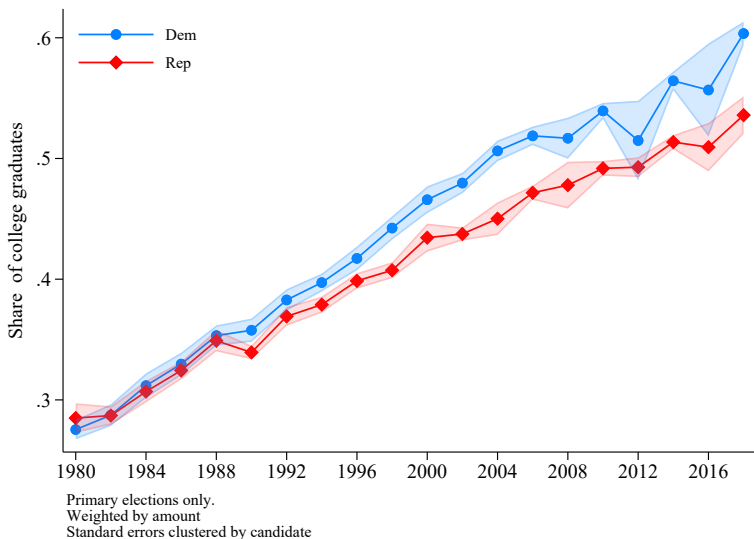
[Q&A](#)

Social Issues ideal points



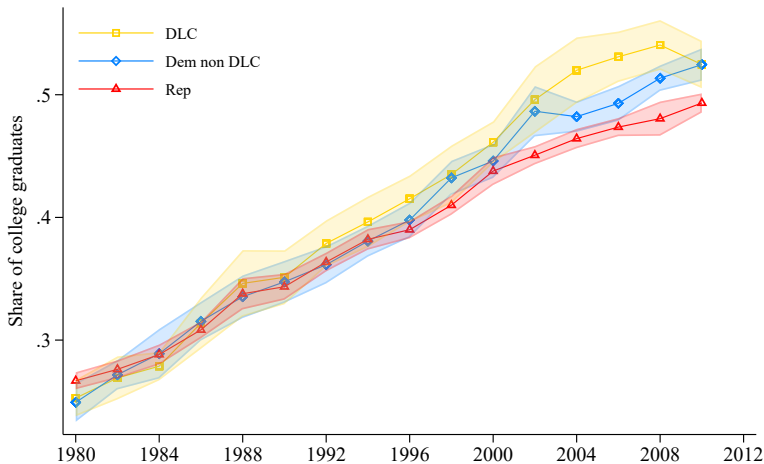
Overall difference between DLC and other Dems is .069 (p=0)

Primary contributions, weighted by amount



[Back](#) Average zipcode-level share of college graduates of a political contributor, weighted by amount.

Primary contributions, DLC, non-DLC, GOP - Predicted by Lasso



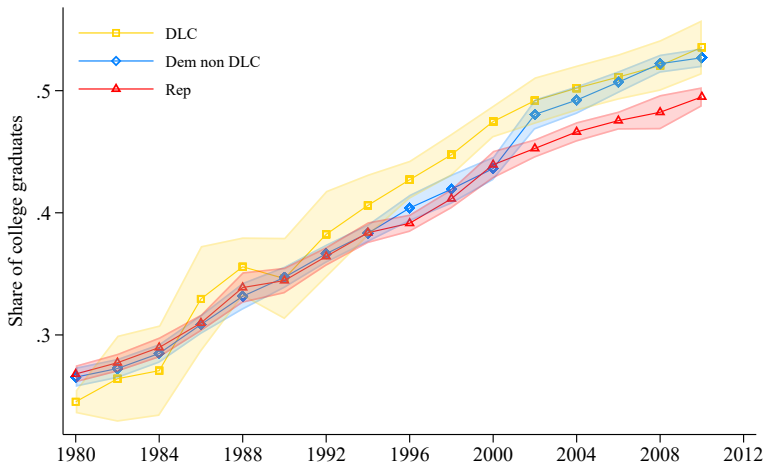
Average difference between DLC and other Dems is .0191 ($p=.0079$)

Average difference between other Dems and Rep is .019 ($p=0$)

Primary House elections only. DLC membership predicted by Lasso (excluding ties by less than 40pp)

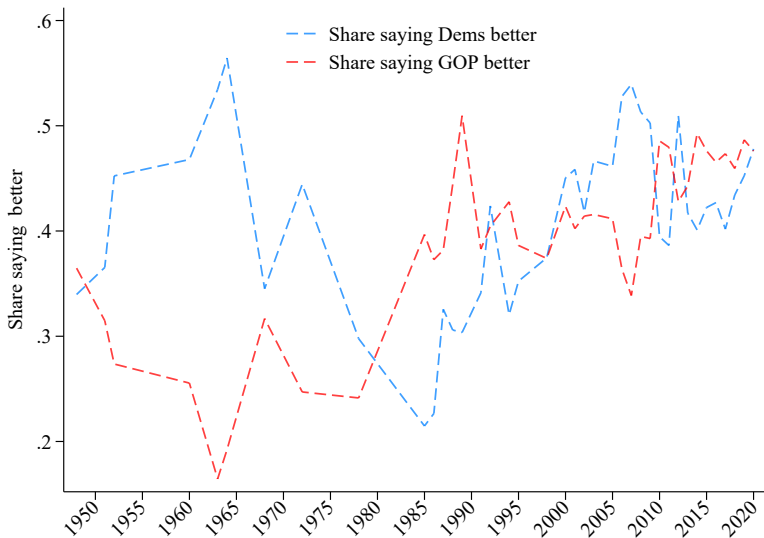
Controlling for state-Year FE. Standard errors clustered by candidate

Primary contributions, DLC, non-DLC, GOP - Predicted by NDN

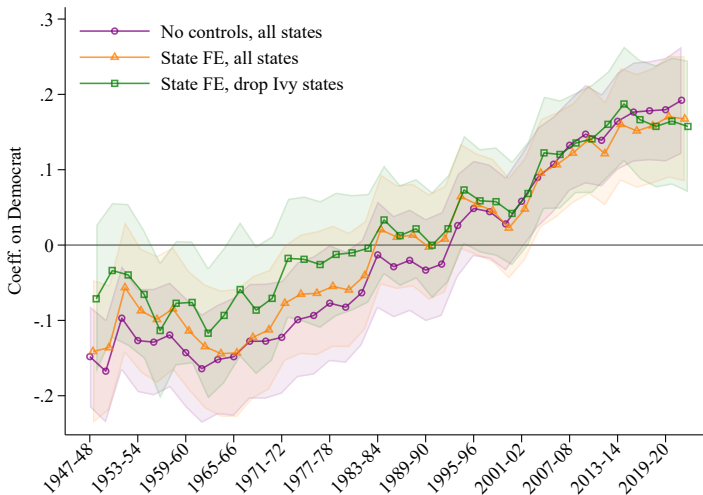


Average difference between DLC and other Dems is .0375 ($p=0$)
Average difference between other Dems and Rep is .0126 ($p=0$)
Primary House elections only. DLC membership predicted by NDN recipients
Controlling for state-Year FE. Standard errors clustered by candidate

Time series of the outcome variable



Robustness of House results

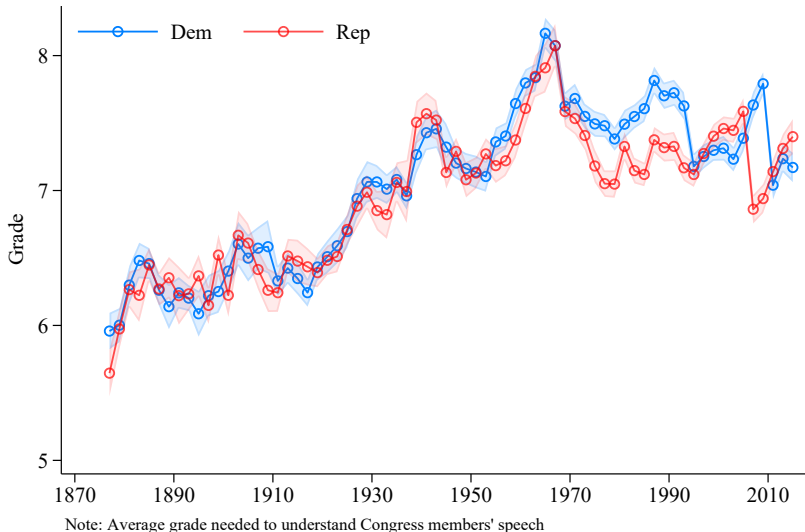


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Plotting β_t from $Ivy_{ist} = \beta_t Dem_i * \mathbb{1}(Congress = t) + \gamma X + \mu_t + e_i$, where μ_t are Congress FE.
First specification has no controls in X , second has state FE, and final has no controls but drops

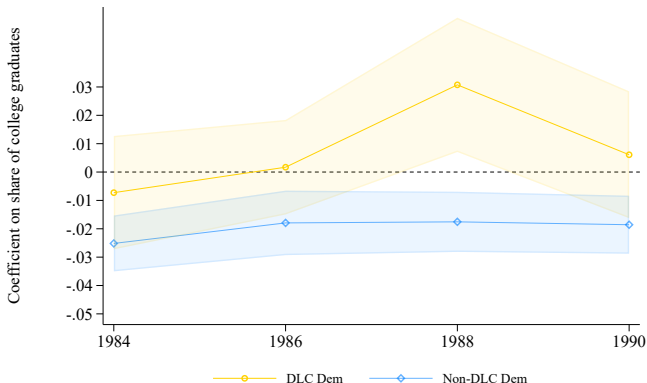
Schooling needed to understand speech



Notes: We take average of seven measures provided by the *textstat* library on Python. These measures largely based on words per sentence and syllables per word.

Q&A

MCD-group-level vote shares - DLC predicted by Lasso



Overall difference between the DLC and Non-DLC Dems is .0161 (.0093)
State-congressional district FE. Clustered at the county level.
Regression at the MCD-group level (25,000 MCD groups)
Sample restricted to elections where Lasso probability is more than 75% or less than 25%.

Coefficients from: $Dem_{mt} = \beta_1^t Educ_{mt} + \beta_2^t DLC_{dt} + \beta_3^t Educ_{mt} \times DLC_{dt} + \epsilon_{mt}$,
clustered by county

Social issues an important alternative story

- Obviously, individual's views on issues like affirmative action, gay rights and abortion have *huge* predictive power over party identification over the last five decades. Our claim is that:
 - ▶ These positions do not explain the *change* in party identification among *less-educated voters* that begins in \approx 1980s.
- We take on three arguments:
 - ▶ Realignment instead triggered by Democrats switch on Civil Rights, GOP adoption of Southern Strategy.
 - ▶ Americans have polarized by education on *social issues* in particular.
 - ▶ Americans place less weight on economic issues as country has gotten richer.

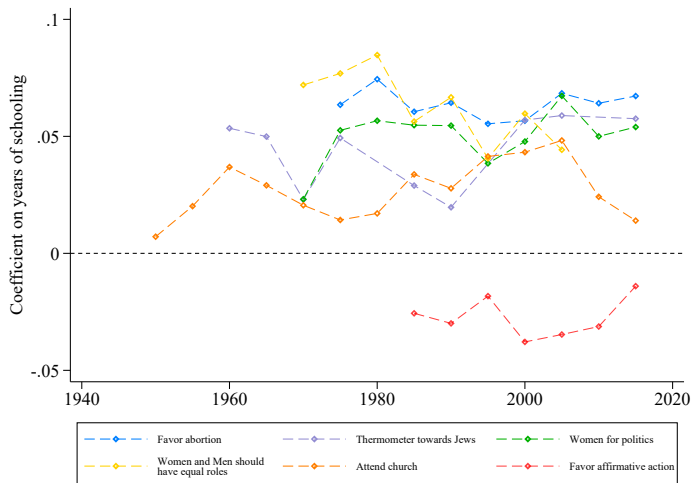
Alternative story: Dems' support for Civil Rights turned off white working class

- Democrats switch on Civil Right in 1963 (after some cautious steps in that direction since 1940s) led to an immediate loss of white Southern voters (Kuziemko and Washington, 2018).
- But in fact the “lost” Southern whites were *more* educated and affluent than those who stayed loyal to the Democrats.

Alternative story: Polarization on social issues

- Popular press accounts emphasize that Americans are more polarized by education on *social issues* than ever before:
 - ▶ E.g., LGBTQ support, abortion, feminism, separation of church and state, gun control, etc.
- We find instead that these gaps are very stable over time.

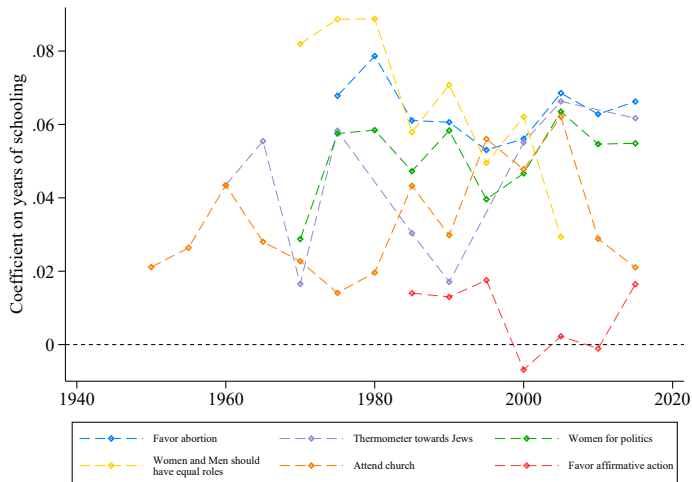
Trends for key social issues, by education



With white only

Q&A

Trends for key social issues, by education (whites)



Final thoughts on social issues

- Early 1990s would be an odd time to switch parties over social issues because Bill Clinton moved Dem party to the right on social issues.
 - ▶ He was a religious, culturally conservative Southerner:
 - Defense of Marriage Act (1996); abortion should be 'safe, legal and rare'; end "Welfare as we know it;" harsher criminal-justice policy (including expansion of Death Penalty for federal crimes); "Sister Souljah" moment & push against rap lyrics.
- In future drafts, hopefully quantify positions on social issues, especially during the crucial 1990s period.

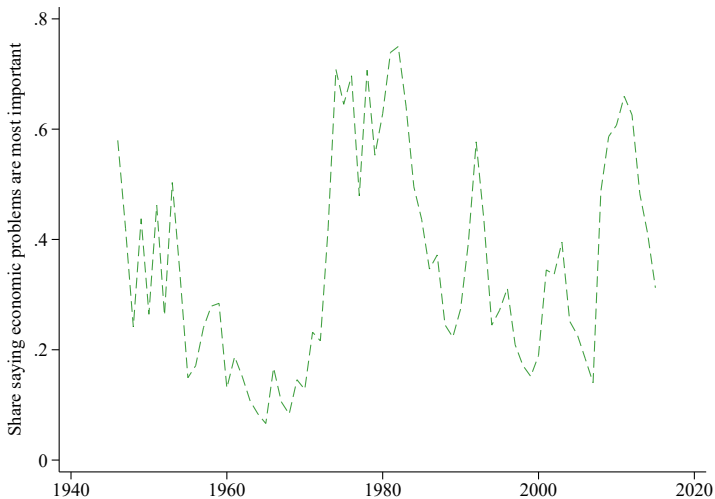
Alternative story: Americans too rich to care about economics

- We have shown so far that the educational gradient for most economic and social issues has been relatively stable.
- But maybe Americans just *care* more about social policy than before, so the less-educated increasingly gravitate to the socially conservative party (GOP).
- To gauge any shift in how Americans weight these issue categories, we use microdata from surveys harmonized by iPoll Cornell that ask respondents to state the country's "most important problem."
 - ▶ They aggregate these answers into categories used by the MARPOR project, a collaboration between the Manifesto Research Group (MRG) and the Comparative Manifestos Project (CMP).

Respondents' "most important problem"

- Over our full sample period (1944 to 2015), the large plurality (37 percent) of our respondents say that "economic problems" are the most important.
- The next largest category is "external relations" (23 percent).
- The remaining categories are: "freedom and democracy," "political system," "welfare and quality of life," "fabric of society (third largest at 13 percent)," "social groups," and "other."
- Share of respondents saying "economic problems" most important has no secular trend but follows the business cycle.

Share saying “economic problems” are most important



Gradient by education

- Does the education gradient of the importance of economic issues change over time?
 - ▶ If the educated care *less* about economic issues over time, then it could explain their shift *toward* the Democrats: they have always had more liberal social views and if they increasingly care less about economic policy they are more willing to vote against their economic interests.
 - ▶ Similarly, if the less-educated care *less* about economic issues over time, they would put greater weight on their conservative social issues and move away from the Democratic Party.

Econ probs. most important, regressed on education

